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<b>Exhibit R-2, RDT&amp;E Budget Item Justification:</b> PB 2019 Defense Logistics Agency	<b>Date:</b> February 2018
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<b>Appropriation/Budget Activity</b> 0400: Research, Development, Test & Evaluation, Defense-Wide / BA 5: System Development & Demonstration (SDD)	<b>R-1 Program Element (Number/Name)</b> PE 0605080S / Defense Agencies Initiative (DAI) - Financial System
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COST (\$ in Millions)	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	Cost To Complete	Total Cost
Total Program Element	110.325	27.194	24.436	21.156	-	21.156	23.673	21.806	25.336	25.815	Continuing	Continuing
01: Defense Agencies Initiatives - Financial System	110.325	27.194	24.436	21.156	-	21.156	23.673	21.806	25.336	25.815	Continuing	Continuing

**Program MDAP/MAIS Code:**  
**Project MDAP/MAIS Code(s):** 0491

**A. Mission Description and Budget Item Justification**

This program supports the Defense Agencies Initiative (DAI) Increments 2 and 3, Category I Defense Business Systems. Previous funding for DAI Increment 1, as well as, FY2013 4th Quarter Increment 2, were documented in the Defense Enterprise Business Systems program element 0605070S. Increment 3 will deliver new capabilities: (Defense Working Capital fund and Re-Sale accounting); and an application upgrade.

<b>B. Program Change Summary (\$ in Millions)</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019 Base</b>	<b>FY 2019 OCO</b>	<b>FY 2019 Total</b>
Previous President's Budget	30.457	24.436	40.300	-	40.300
Current President's Budget	27.194	24.436	21.156	-	21.156
Total Adjustments	-3.263	0.000	-19.144	-	-19.144
• Congressional General Reductions	-	-			
• Congressional Directed Reductions	-	-			
• Congressional Rescissions	-	-			
• Congressional Adds	-	-			
• Congressional Directed Transfers	-	-			
• Reprogrammings	-2.400	-			
• SBIR/STTR Transfer	-0.863	-			
• Inflation Adjustment	-	-	-0.344	-	-0.344
• Program Rephasing	-	-	-18.800	-	-18.800

**Change Summary Explanation**

Under the FY2017 CR, a portion of DAI's funding was provided to USTRANSCOM to continue business operations. Upon enactment, the USTRANSCOM funding is being returned to DIA resulting in the reprogramming amount owed to DAI for \$2.4M. FY2017, the Small Business Innovation Research and Small Technology Transfer Research tax amounted to \$0.863M.

Inflation adjustments for Non-Pay/Non-Fuel Pay purchases and Civilian Pay decreased the program baseline in FY2019.

FY2019 development will complete developing Defense Working Capital Fund (DWCF) accounting requirements necessary to serve as core and meet DISA requirements, and DeCA Re-sale accounting requirements study (to be developed in FY 2020).

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Exhibit R-2A, RDT&E Project Justification: PB 2019 Defense Logistics Agency										Date: February 2018		
Appropriation/Budget Activity 0400 / 5					R-1 Program Element (Number/Name) PE 0605080S / Defense Agencies Initiative (DAI) - Financial System				Project (Number/Name) 01 / Defense Agencies Initiatives - Financial System			
COST (\$ in Millions)	Prior Years	FY 2017	FY 2018	FY 2019 Base	FY 2019 OCO	FY 2019 Total	FY 2020	FY 2021	FY 2022	FY 2023	Cost To Complete	Total Cost
01: Defense Agencies Initiatives - Financial System	110.325	27.194	24.436	21.156	-	21.156	23.673	21.806	25.336	25.815	Continuing	Continuing
Quantity of RDT&E Articles	-	-	-	-	-	-	-	-	-	-		
Project MDAP/MAIS Code: 0491												

**A. Mission Description and Budget Item Justification**

The DAI mission is to deliver auditable Chief Financial Officer (CFO) Act compliant business environments for Defense Agencies providing accurate, timely, authoritative financial data supporting the DoD goal of standardizing financial management practices improving financial decision support, and supporting audit readiness. Currently, Defense Agencies use several different non-compliant financial management systems supporting diverse operational functions and the warfighter in decision-making and financial reporting. These disparate, non-integrated systems do not meet statutory requirements to produce timely, auditable reports.

The DAI program modernizes the Defense Agencies' financial management processes by streamlining financial management capabilities, addressing financial reporting material weaknesses, and supporting financial statement auditability for the majority of agencies and field activities across the DoD. DAI will support a transformation of budget, finance, and accounting processes across participating defense agencies to help improve the quality of financial information, supporting financial auditability and decision-making. The DAI business solution, once implemented, will provide a near real-time, web-based system from a ".mil" environment of integrated business processes that will enable in excess of 84,000 Defense Agency financial managers, program managers, auditors, and Defense Finance and Accounting Service (DFAS) representatives to make sound financial business decisions.

The DAI implementation approach is to deploy a standardized system solution that is consistent with requirements in the Federal Financial Management Improvement Act (FFMIA) and the DoD Business Enterprise Architecture (BEA), while leveraging the out-of-the-box capabilities of the selected Commercial-Off-the-Shelf (COTS) product, Oracle e-Business Suite (EBS), Release 12.2.5 (R12). DAI implemented an Oracle Office of Management and Budget Financial Systems Integration Office (FSIO) qualified COTS financial management business solution with common business processes and data standards. The Program Management Office (PMO) will not develop any objects that are included in core COTS software or services (i.e. vendor data from Federal authoritative source).

DAI supports the 2014 Quadrennial Defense Review (QDR) Strategy 5, "Reform the business and support functions of the Defense enterprise". DAI is also aligned to the DOD Agency Strategic Fiscal Years 2015-2018, Goal 5: Reform and Reshape the Defense Institution, Key Strategic Initiative - Improving competitiveness through accountability and efficiency and SO 5.2: Improve financial processes, controls, and information via audit readiness. The objective of the DAI system is to achieve auditable, CFO Act compliant business environments for the Defense Agencies with accurate, timely, authoritative financial data.

The primary goal is to deploy a standardized system solution to improve overall financial management and comply with BEA, Standard Financial Information Structure (SFIS)/Standard Line of Accounting (SLOA), and Office of Federal Financial Management (OFFM) requirements. Common business functions within budget execution include the Department's BEA End to End (E2E) business processes: Cost Management; Budget to Report; Procure to Pay (P2P); Acquire to Retire (real property

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lifecycle accounting only); Hire to Retire (Time and Labor reporting only); and Order to Cash. Release (Rel) 1 provided an application upgrade to Oracle R12 along with (P2P) enhancements facilitating SFIS/SLOA compliance and automated Time and Labor absence management. Rel 2 introduced Grants Financial Management accounting and the start of a phased implementation of Governance, Risk and Compliance (GRC) capabilities. Future capabilities will support Rel 3 Direct Treasury Disbursing and Budget Formulation as well as Rel 4 Defense Working Capital Fund accounting, and Re-Sale Accounting (for Defense Commissary Agency (DeCA)).		
DAI is currently implemented at 22 Defense Agencies and the Office of the Under Secretary of Defense, Comptroller, (OUSD(C)) and supports over 39,322 users. The program office is also responsible for operational sustainment of the system. Funds are required for additional government and contractor support, licenses, maintenance, and hardware to accomplish the remaining capability developments and organizational deployments, and initiate the annual Statement on Standards for Attestation Engagements No. 18 (SSAE 18) assertion packages. In 2017, the system received an unqualified SSAE 18 report.		
The benefits of DAI are: <ul style="list-style-type: none"><li>• Common business processes and Enterprise data standards (i.e., SFIS, SLOA, Procurement Data Standard (PDS) and Procurement Request Data Standard (PRDS));</li><li>• Access to real-time financial data transactions;</li><li>• Significantly reduced data reconciliation requirements;</li><li>• Enhanced analysis and decision support capabilities; and</li><li>• Use of United States Standard General Ledger (USSGL) Chart of Accounts to resolve DoD material weaknesses and deficiencies.</li></ul>		
The DAI PMO completed the Oracle R12 application upgrade. The DAI PMO also provides system integration services that include: acquisition/financial management, project management; blueprinting; design, build, and unit test; developing required Reports, Interfaces, Conversions, Extensions, Forms and Workflows (RICE-FW) objects; testing (cyber security/information assurance, integration, functional, performance, conversion, user acceptance, operational); end-user training (train the trainer/ change management preparing the users for the cross functional skills and awareness needed to perform well with an integrated enterprise resource planning system); system deployment; conversion; information assurance; sustainment; data service; help desk support; as well as studies and analysis support.		
DLA Information Operations provides the program executive officer, program manager, and PMO staff. The DAI PMO relies on DLA Acquisition for most contracting. Defense Information Systems Agency (DISA) Defense Enterprise Computing Centers (DECCs) provide application, development and test as well as Continuity of Operations (COOP) hosting, Technical Contracting Office for development task orders, and the Joint Interoperability Test Command for Interoperability testing. The DAI PMO serves as systems integrator. Contracted subject matter experts configure COTS to provide compliant business processes.		
B. Accomplishments/Planned Programs (\$ in Millions)		
Title: Defense Agencies Initiative (DAI) - Financial System		
FY 2018 Plans: In FY 2018, the DAI PMO will: <ul style="list-style-type: none"><li>• Field DAI Increment 2 Rel 4 to users at two large agencies (over 9,409 users).</li><li>• Development/Testing for DISA General Fund (GF) agency unique requirements and begin study/development of DWCF capabilities.</li></ul>		

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<b>B. Accomplishments/Planned Programs (\$ in Millions)</b>		<b>FY 2017</b>	<b>FY 2018</b>
<ul style="list-style-type: none"> <li>• Study/develop Agency unique requirements for DISA.</li> <li>• Work instructions and training materials.</li> <li>• Conduct Follow-on Test and Evaluation (FOT&amp;E) event with using Agencies, which completes the DAI INC 2 cycle of independent Operational Assessments.</li> <li>• Support the FM &amp; time/labor for over 45k users at over 22 Agencies, Field Activities and organizations.</li> <li>• Support the DoD Information Assurance Certification and Accreditation Risk Management Framework (RMF) process to support actions included in the Designated Authorizing Authority required Plan of Actions and Milestones including an independent Federal Information Systems Controls Audit Manual (FISCAM) Test of Design/Test of Effectiveness to result in a DAA decision to award an Authority to Operate.</li> <li>• Continue to implement the Governance, Risk and Compliance (GRC) capabilities by expanding Enterprise controls: Configuration, Access, Prevention &amp; Transactions supporting audit findings, recommendations &amp; corrective action plans (CAPs).</li> <li>• Maintain the technical operation including: application of DISA Security Technical Implementation Guides, hardware &amp; software currency for servers operating systems, middleware &amp; applications including patches; overseeing internal processes within the DISA Enterprise Computing Center (DECC) enclaves; &amp; the daily operation of several interfaces with external systems leveraging DLA Transaction Services as well as established Federal Enterprise system web services.</li> <li>• Conduct regular adversarial assessments, RMF continuous monitoring including code scans, an independent Cyber Economic Vulnerability Assessment (CEVA) and a Cooperative Vulnerability and Penetration Assessment (CVPA).</li> <li>• Obtain or maintain an interim Interoperability Certification or an Authority to Connect to the DoD Global Information Grid.</li> <li>• The Program will also perform developmental, operational and Cyber security testing with independent third parties under Office of the Secretary of Defense oversight. The Defense Logistics Agency will contract for an independent public accounting firm to conduct the annual FFMIA and SSAE 18 assessments and conduct Cyber security assessments on the system.</li> </ul> <p><b>FY 2019 Plans:</b> In FY 2019, the DAI PMO will:</p> <ul style="list-style-type: none"> <li>• Field DAI Increment 3 Rel 1 General Fund (GF) accounting to users at a large agency (over 5,722 users).</li> <li>• Development/Testing for DWCF and agency unique requirements and complete the study of 4th Estate common/core capabilities.</li> <li>• Study Agency unique requirements for DeCA.</li> <li>• Work instructions and training materials.</li> <li>• Conduct an independent operational assessment (OA) of DAI INC 3, REL 1.</li> <li>• Support the Financial Management (FM) &amp; time/labor operations for over 45k users at over 23 Agencies, Field Activities and organizations.</li> </ul>			

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<b>B. Accomplishments/Planned Programs (\$ in Millions)</b>		<b>FY 2017</b>	<b>FY 2018</b>
<ul style="list-style-type: none"> <li>• Support the DoD RMF process to support actions included in the Designated Authorizing Authority required Plan of Actions and Milestones including an independent FISCAM Test of Design/Test of Effectiveness to result in a DAA decision to award an Authority to Operate.</li> <li>• Continue to implement the GRC capabilities by expanding Enterprise controls: Configuration, Access, Prevention &amp; Transactions supporting audit findings, recommendations &amp; CAPs.</li> <li>• Maintain the technical operation including: application of DISA Security Technical Implementation Guides, hardware &amp; software currency for servers operating systems, middleware &amp; applications including patches; overseeing internal processes within the DECC enclaves; &amp; the daily operation of several interfaces with external systems leveraging DLA Transaction Services as well as established Federal Enterprise system web services.</li> <li>• Conduct regular adversarial assessments, RMF continuous monitoring including code scans, an independent Cyber Economic Vulnerability Assessment and a Cooperative Vulnerability and Penetration Assessment.</li> <li>• Obtain or maintain an interim Interoperability Certification or an Authority to Connect to the DoD Global Information Grid.</li> <li>• The Program will also perform developmental, operational and Cyber security testing with independent third parties under Office of the Secretary of Defense oversight. The Defense Logistics Agency will contract for an independent public accounting firm to conduct the annual FFMIA and SSAE 18 assessments and conduct Cyber security assessments on the system.</li> </ul> <p><b><i>FY 2018 to FY 2019 Increase/Decrease Statement:</i></b> FY 2019 development will complete developing DWCF accounting requirements necessary to serve as core and meet DISA requirements.</p>			
<b>Accomplishments/Planned Programs Subtotals</b>		27.194	24.436
<b>C. Other Program Funding Summary (\$ in Millions)</b> N/A			
<b>Remarks</b>			
<b>D. Acquisition Strategy</b>			
DAI is being developed and implemented using an evolutionary/incremental strategy including major annual software releases to accommodate upgrades as required by changes to the Department's BEA including new laws, regulations and policies as governed by its Functional Sponsor and Milestone Decision Authority (MDA).			
In the Acquisition Decision Memorandum (ADM) of September 23, 2013, the MDA placed DAI Increment 1 in sustainment. Increment 2 addressed the Commercial Off The Shelf (COTS) application upgrade. The upgrade was completed (January 2015); therefore, Increment 2 Rel 1 subsumed Increment 1 for all users. A new ADM in June 2017 introduced Increment 3. When Increment 3, Rel 1 goes live, it will subsume Increment 2; therefore, only one DAI production baseline exists at any point in time.			

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<p><b>E. Performance Metrics</b></p> <p>The following performance metrics will be performed on the DAI system:</p> <p>Functionality: Financial system performance. PEO will determine substantial compliance with the annual Investment Review of PMO assertion of compliance with the latest version of the Department's BEA in scope requirements for Defense Financial Management Improvement Guidance (DFMIG) and other laws regulations and policy. Objective: Substantial compliance.</p> <p>Program Conformance to BEA Processes, Data Standards, and Business Rules. The PEO will determine substantial compliance with the annual Investment Review of PMO assertion of compliance with the latest version of the Department's BEA. Objective: Substantial compliance.</p> <p>Net Ready Key Performance Parameter (NR-KPP)</p> <p>Attribute (Att) A - Support net-centric DoD military operations</p> <p>Mission: Transform the budget, finance, and accounting operations of the DoD Agencies to achieve accurate and reliable financial information in support of financial accountability and effective and efficient decision making throughout the Defense Agencies in support of the missions of the warfighter.</p> <p>A.1. Budget to Report (B2R). DAI provides General Ledger, Trial Balance, Budget Execution, and Financial Reporting Capabilities. DAI will measure the percentage of successful attempts to:</p> <ul style="list-style-type: none"> <li>* Generate and transmit Trial Balance Reports. Objective-95%;</li> <li>* Receive budget information from agency-specific systems, to support budget execution. Objective-95%; and</li> <li>* Generate and transmit reports to support period end processing procedures. Objective-95%</li> </ul> <p>A.2 Procure to Pay (P2P). DAI provides the capability to Order Materials and Services (Commitments), Record Purchases and Contract Information (Obligations) Pay Bills (Accounts Payable), and Create Ready to Pay File. DAI will measure the percentage of successful attempts to:</p> <ul style="list-style-type: none"> <li>* Exchange contract, obligation, receipt and invoice information with external systems to support procurement processes. Objective-95%;</li> <li>* Receive Purchase Card information from external systems to manage government purchase cards (P-Cards). Objective-95%;</li> <li>* Exchange data across agencies to support intergovernmental Purchase Request (PR) processes. Objective-95%;</li> <li>* Receive travel related data from external systems to support travel financial accounting events. Objective-95%; and</li> <li>* Exchange miscellaneous payment information with trading partners. Objective-95%.</li> </ul> <p>A.3. Order to Cash (O2C). DAI provides the capability to Receive Customer Orders, Record Work Performed on the orders, Bill Customers, and Track Accounts Receivable. DAI will measure the percentage of successful attempts to:</p>		

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<p>* Exchange data with external systems to support management of customer orders. Objective-95%;</p> <p>* Exchange receivables data with external systems. Objective-95%; and</p> <p>* Manage exchange collections data with external systems. Objective-95%.</p> <p>A.4. Acquire to Retire (A2R). DAI provides the capability to record Asset Acquisition, Depreciation, and Disposal. DAI will measure the percentage of successful attempts to:</p> <p>* Receive asset creation information from external systems. Objective-95%;</p> <p>* Accumulate and transmit costs incurred for Capital Assets on Construction in Progress (CIP) and Work in Progress (WIP) projects. Objective-95%;</p> <p>* Generate and transmit property accounting information. Objective-95%;</p> <p>* Receive property maintenance data from external systems. Objective-95%; and</p> <p>* Receive disposal of assets information from external systems. Objective-95%.</p> <p>A.5. Cost Management (formerly Cost Accounting). DAI provides Cost Accounting and Allocation Capabilities. DAI will measure the percentage of successful attempts to:</p> <p>* Receive Project Budgets from external systems. Objective-95%; and</p> <p>* Receive cost data to support cost collection processes. Objective-95%.</p> <p>A. 6. Hire to Retire (H2R). DAI provides Civilian, Military, and Contractor Time and Labor capabilities. DAI will measure the percentage of successful attempts to:</p> <p>* Exchange employee and timekeeping information with external systems. Objective-95%; and</p> <p>* Process and send payroll data to external systems. Objective-95%.</p> <p>NR-KPP Att B - Managed in the Network</p> <p>1) Type of Networks that are connected:</p> <p>- The DAI application supports multiple Defense Agencies, and thus is accessible from multiple network points. A typical user accesses the application via the web browser from his/her agency specific LAN/WAN and/or local site firewall configurations, traversing through the Non-Classified Internet Protocol Routing Network (NIPRNet) to reach the secure DAI application hosted within the DoD Demilitarized Zone (DMZ) which is controlled and managed by DISA.</p> <p>- The DAI production application is hosted in a DISA DECC environment located in Ogden, UT and is managed by DAI Program Management Office</p> <p>2) Measures of Performance (MOPs) to measure network entrance and management performance:</p> <p>a) Network related (DISA) – as per DISA Catalog of Services</p> <p>-Interactive Availability - Portion of network/system controlled by DISA CSD available to the partner during the interactive window</p> <p>-Batch Throughput – Completion rate and delivery by specified time during batch window specified in SLA</p> <p>b) Database related (DAI Program Management Office)</p>		

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<p>-System Availability -On Line user system response</p> <p>3) Network Management: -The Agency (user) being supported is responsible for the communications infrastructure necessary for leaving their location to connect users to the NIPRNet -DISA is responsible for communications on NIPRNet between the end user and the main DAI environment -DAI Program Management Office is responsible for activities occurring within the application and the Oracle Database</p> <p>4) Systems Management -NIPRNet and Infrastructure - Centralized within DISA CSD -DAI System – centralized within DAI Program Management Office</p> <p>5) Network Configuration Parameters – N/A (within the realm of DISA management) DAI will measure the percentage of success for:            * Supports secure Internet/NIPRNET access to solution. Interactive Availability. Objective-98.5%;            * Supports secure Internet/NIPRNET access to solution. Batch Throughput. Objective-95%;            * Provides adequate system response and availability to support operations. System Availability. (Condition: 5000 users/hour) Objective-95%; and            * Provides adequate system response and availability to support operations. On-line system response. (Condition: 5000 users/hour) Objective-95%.</p> <p>NR-KPP Att C - Effectively Exchange Information. DAI will satisfy all top-level critical Information Exchange Requirements (IERs) with all required DoD Enterprise, DFAS, Defense Agencies, and Federal Systems, as documented in SV-6. There are 47 data exchanges with other systems. The objectives are 100% for accuracy and ten seconds to 1 day for timeliness. Additional details available upon request.</p> <p>Major Performers:</p> <p>CACI Inc Federal Chantilly, VA Global Model Implementation and Compliance Support to DAI</p> <p>CACI Inc Federal Chantilly, VA DAI Implementation Support Services</p> <p>CACI ISS, Inc Fairfax, VA</p>		



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<p>Infrastructure Support</p> <p>International Business Machines Corporation Reston, VA DAI Global Model Development for Procure to Pay (P2P), Order to Cash (O2C), Budget to Retire (B2R), and Customer Application Development (CAD)</p> <p>CACI Inc Federal Chantilly, VA DAI Global Model Development for Acquire to Retire (A2R), Cost Accounting (CA), and Time and Labor (T&amp;L)</p> <p>Mythics Inc DBA Virginia Beach, VA Oracle CLM and Purchase Software</p>		

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2019 Defense Logistics Agency												Date: February 2018			
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Product Development (\$ in Millions)				FY 2017		FY 2018		FY 2019 Base		FY 2019 OCO		FY 2019 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
DAI Compliance Support	Option/CPFF	CACI Inc Federal : Chantilly, VA	18.540	7.143	Jun 2017	6.489	Jun 2018	-		-		-	0.000	32.172	0.000
DAI Compliance Support Follow-on	C/TBD	TBD : TBD	0.000	0.000		0.000		6.683	Jun 2019	-		6.683	Continuing	Continuing	Continuing
DAI Implementation Support	Option/CPAF	CACI Inc Federal : Chantilly, VA	15.600	6.651	Mar 2017	6.151	Mar 2018	-		-		-	0.000	28.402	0.000
DAI Implementation Support Follow-on	C/TBD	TBD : TBD	0.000	0.000		0.000		6.336	Mar 2019	-		6.336	Continuing	Continuing	Continuing
DAI Infrastructure Support	Option/FFP	CACI ISS Inc : Fairfax, VA	8.183	3.472	May 2017	2.821	May 2018	-		-		-	0.000	14.476	0.000
DAI Infrastructure Support Follow-on	C/TBD	TBD : TBD	0.000	0.000		0.000		1.985	May 2019	-		1.985	Continuing	Continuing	Continuing
Global Model P2P	C/FFP	IBM : Bethesda, MD	19.212	2.715	Aug 2017	-		-		-		-	0.000	21.927	0.000
Global Model P2P Follow-on	C/TBD	TBD : TBD	0.000	0.000		3.418	Aug 2018	-		-		-	Continuing	Continuing	Continuing
Global Model A2R	C/CPFF	CACI Inc Federal : Chantilly, VA	9.012	1.134	Apr 2017	-		-		-		-	0.000	10.146	0.000
Global Model A2R Follow-on	C/TBD	TBD : TBD	0.000	0.000		2.333	Apr 2018	2.403	Apr 2019	-		2.403	Continuing	Continuing	Continuing
DAI Data Conversion Support	Option/FFP	Terathink : Reston, VA	2.512	0.345	Mar 2017	-		-		-		-	0.000	2.857	0.000
DAI Data Conversion Support Follow-on	C/TBD	TBD : TBD	0.000	0.000		-		-		-		-	Continuing	Continuing	Continuing
Requirements Management (RM) Support	MIPR	DISA : Fort Meade, MD	0.876	0.000	Oct 2017	0.237	Oct 2018	0.159	Oct 2019	-		0.159	Continuing	Continuing	Continuing
Global Model P2P Option 1 Increase	C/FFP	IBM : Bethesda, MD	0.000	0.000		-		-		-		-	0.000	0.000	0.000
Oracle Time & Labor Software License and Maintenance	C/FP	Mythics, Inc. : Virginia Beach, VA	0.000	1.020	May 2017	-		-		-		-	0.000	1.020	0.000

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Product Development (\$ in Millions)				FY 2017		FY 2018		FY 2019 Base		FY 2019 OCO		FY 2019 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
DCPDS/DAI Interface File Changes	MIPR	DLA Finance : Fort Belvoir, VA	0.000	0.014	Feb 2017	0.013	Feb 2018	0.010	Feb 2019	-		0.010	Continuing	Continuing	Continuing
Serena Capability	MIPR	TBD : TBD	0.000	0.000		-		-		-		-	Continuing	Continuing	Continuing
Global Model CAD	C/CPFF	CSC : Falls Church, VA	3.205	-		-		-		-		-	0.000	3.205	0.000
Jaws Professional Licenses	C/FFP	Immix : McLean, VA	0.017	-		-		-		-		-	0.000	0.017	0.000
Oracle Advanced Compression Licenses	TBD	TBD : TBD	1.622	-		-		-		-		-	0.000	1.622	0.000
Oracle Contract Lifecycle Management Licenses	C/FFP	Mythics Inc : Virginia Beach, VA	7.408	-		-		-		-		-	0.000	7.408	0.000
Oracle Licenses	MIPR	DISA : Pensacola, FL	5.446	-		-		-		-		-	0.000	5.446	0.000
Kurzweil 5000 508 Assistive Tech Licenses	C/FFP	Envision Technology Inc. : Bethesda, MD	0.008	-		-		-		-		-	0.000	0.008	0.000
Dragon Naturally Speaking 508	C/FFP	Red River Computer Co : Claremont, NH	0.007	-		-		-		-		-	0.000	0.007	0.000
DISA/DITCO Delinquent Balance	MIPR	DISA DITCO : Scott AFB, IL	0.017	-		-		-		-		-	0.000	0.017	0.000
DBTA Section 1553	MIPR	DFAS : Columbus, OH	0.377	-		-		-		-		-	0.000	0.377	0.000
Development Activities	C/TBD	TBD : TBD	0.000	-		0.000		-		-		-	Continuing	Continuing	Continuing
Subtotal			92.042	22.494		21.462		17.576		-		17.576	Continuing	Continuing	N/A
Support (\$ in Millions)				FY 2017		FY 2018		FY 2019 Base		FY 2019 OCO		FY 2019 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
Estimated SBIR/STTR:	TBD	TBD : TBD	0.000	1.112		0.892		0.785		-		0.785	Continuing	Continuing	Continuing
Subtotal			0.000	1.112		0.892		0.785		-		0.785	Continuing	Continuing	N/A

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Exhibit R-3, RDT&E Project Cost Analysis: PB 2019 Defense Logistics Agency												Date: February 2018			
Appropriation/Budget Activity 0400 / 5						R-1 Program Element (Number/Name) PE 0605080S / Defense Agencies Initiative (DAI) - Financial System				Project (Number/Name) 01 / Defense Agencies Initiatives - Financial System					
Test and Evaluation (\$ in Millions)				FY 2017		FY 2018		FY 2019 Base		FY 2019 OCO		FY 2019 Total			
Cost Category Item	Contract Method & Type	Performing Activity & Location	Prior Years	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Award Date	Cost	Cost To Complete	Total Cost	Target Value of Contract
DISA Hosting: Test and Development	MIPR	DISA : Pensacola, FL	10.242	2.696	Oct 2016	-		0.894	Oct 2018	-		0.894	Continuing	Continuing	Continuing
Interoperability	MIPR	JITC : Fort Meade, MD	3.273	0.134	May 2017	0.281	May 2018	0.290	May 2019	-		0.290	Continuing	Continuing	Continuing
Performance and Regression Testing	MIPR	JITC : Fort Huachuca, AZ	1.936	0.710	Oct 2016	0.721	Oct 2017	0.600	Oct 2018	-		0.600	Continuing	Continuing	Continuing
Operational Test and Evaluation	MIPR	JITC : Fort Huachuca, AZ	2.749	0.000	Dec 2016	0.982	Dec 2017	1.011	Dec 2018	-		1.011	Continuing	Continuing	Continuing
DCPS Testing	MIPR	DFAS : Indianapolis, IN	0.083	0.048	Oct 2016	0.098	Oct 2017	0.000	Oct 2018	-		0.000	Continuing	Continuing	Continuing
Hosting Activities	TBD	TBD : TBD	0.000	0.000		0.000		0.000		-		0.000	Continuing	Continuing	Continuing
Subtotal			18.283	3.588		2.082		2.795		-		2.795	Continuing	Continuing	N/A
			Prior Years	FY 2017		FY 2018		FY 2019 Base		FY 2019 OCO		FY 2019 Total	Cost To Complete	Total Cost	Target Value of Contract
Project Cost Totals			110.325	27.194		24.436		21.156		-		21.156	Continuing	Continuing	N/A
Remarks															

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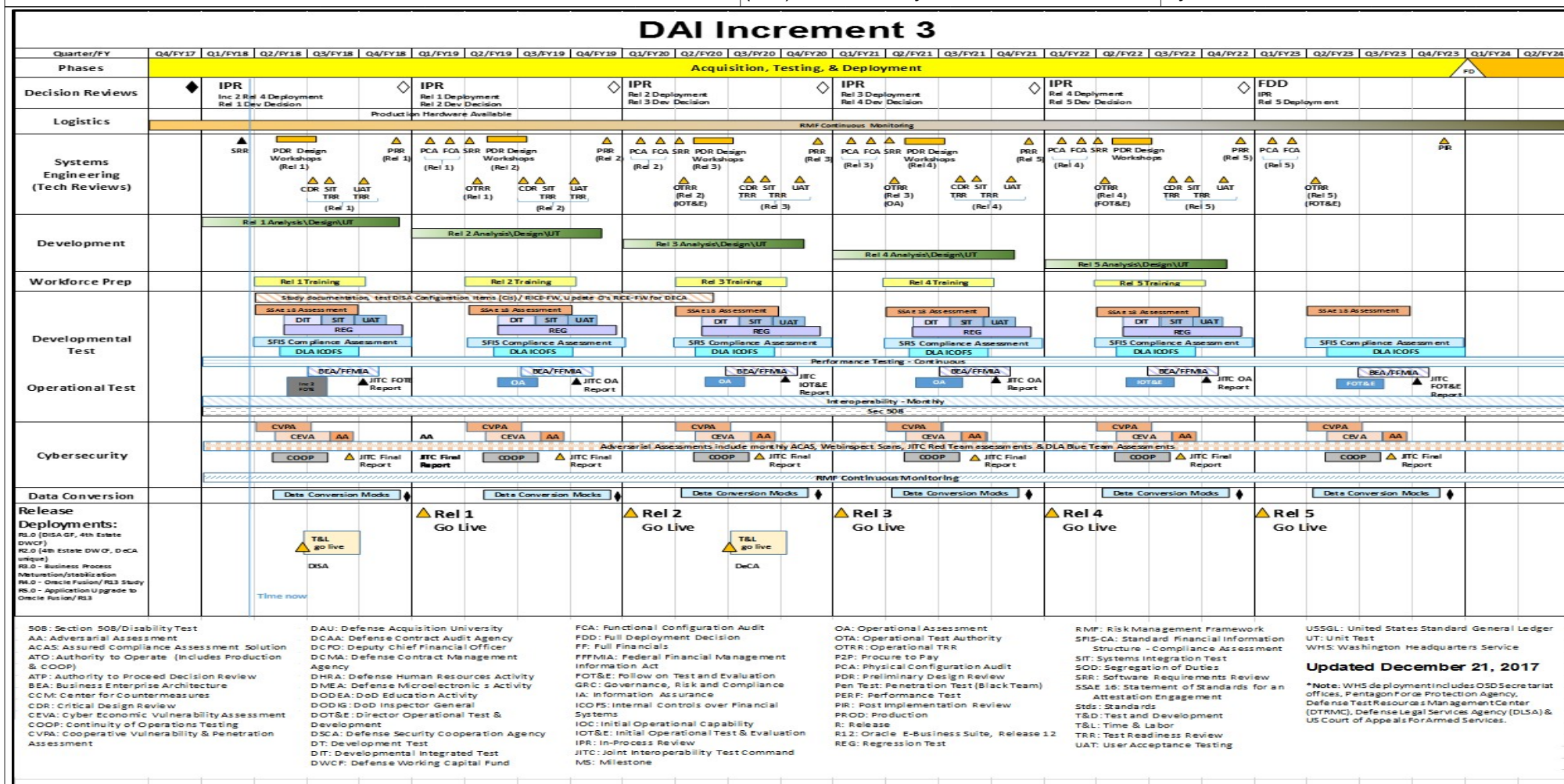
PE 0605080S: *Defense Agencies Initiative (DAI) - Final*  
Defense Logistics Agency

R-1 Line #129

Appropriation/Budget Activity
0400 / 5

**R-1 Program Element (Number/Name)**  
PE 0605080S / *Defense Agencies Initiative (DAI) - Financial System*

<b>Project (Number/Name)</b> 01 / Defense Agencies Initiatives - Financial System
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<b>Exhibit R-4A, RDT&amp;E Schedule Details:</b> PB 2019 Defense Logistics Agency			<b>Date:</b> February 2018
<b>Appropriation/Budget Activity</b> 0400 / 5	<b>R-1 Program Element (Number/Name)</b> PE 0605080S / <i>Defense Agencies Initiative (DAI) - Financial System</i>	<b>Project (Number/Name)</b> 01 / <i>Defense Agencies Initiatives - Financial System</i>	

Schedule Details

Events by Sub Project	Start		End	
	Quarter	Year	Quarter	Year
<b><i>Defense Agencies Initiative (DAI)</i></b>				
Defense Agencies Initiative (DAI)	1	2014	4	2023